

## Message Text

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ACTION EB-08

INFO OCT-01 AF-10 ARA-10 EUR-12 EA-10 ISO-00 SSO-00  
NSCE-00 USIE-00 INRE-00 L-03 FRB-03 OMB-01 ITC-01  
SP-02 AGRE-00 AID-05 CIAE-00 COME-00 INR-07 IO-13  
LAB-04 NSAE-00 OIC-02 SIL-01 STR-06 TRSE-00  
CEA-01 SS-15 INT-05 GSA-02 /122 W  
-----031947 171722Z /43

O 171610Z JAN 78  
FM AMEMBASSY LAGOS  
TO SECSTATE WASHDC IMMEDIATE 5984  
INFO AMEMBASSY BANGKOK  
AMEMBASSY BONN  
AMEMBASSY JAKARTA  
AMEMBASSY KINSHASA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY LA PAZ  
AMEMBASSY LONDON IMMEDIATE  
AMEMBASSY TOKYO

C O N F I D E N T I A L LAGOS 0696

E.O. 11652: GDS  
TAGS: EMIN, ITC, NI  
SUBJECT: U.S. POSITION IN THE INTERNATIONAL TIN COUNCIL

REF: STATE 010989

1. EMBOFF CALLED ON J.F. AWONIYI, DIRECTOR OF MINERAL RESOURCES,  
FEDERAL MINISTRY OF MINES AND POWER JANUARY 17 TO PRESENT POINTS  
IN REFTTEL OPPOSING INCREASE IN PRICE RANGE.

2. AWONIYI WAS AMIABLE, LISTENED NON-COMMITTALLY, THEN SAID  
THAT HE HAS SEEN NO POSITION PAPERS ON PRODUCER VIEWS AND  
THEREFORE COULD NOT REALLY COMMENT ON U.S. ARGUMENTS. HE  
NOTED THAT COMMERCIAL ATTACHE AT NIGERIAN HIGH COMMISSION IN  
LONDON HAD BEEN CHAIRMAN OF PRODUCERS GROUP AND WAS THUS  
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NIGERIAN OFFICIAL MOST CLOSELY IN TOUCH WITH PRODUCER VIEWS.

3. AWONIYI ADDED THAT DEPUTY BUFFER STOCK MANAGER MADE PERSONAL  
VISIT TO NIGERIA IN NOVEMBER. WHILE HERE, DEPUTY MANAGER VISITED  
PLATEAU STATE WHICH IS CENTER OF TIN INDUSTRY. HE TOLD AWONIYI  
HE WOULD PREPARE REPORT BASED ON HIS OBSERVATIONS. AWONIYI HAD  
NOT YET SEEN DRAFT OF THIS REPORT, BUT ASSUMED IT WOULD PROVIDE

OBJECTIVE VIEW OF STATE OF NIGERIA'S TIN INDUSTRY AND WOULD BE DISTRIBUTED EITHER AT PREPARATORY MEETINGS OR AT ITC 8TH SESSION.

4. AWOYNIYI THEN OBSERVED THAT TIN PRODUCTION IN NIGERIA HAD HISTORICALLY DEPENDED ON LABOR INTENSIVE WORKING OF ALLUVIAL DEPOSITS. AS LONG AS LABOR WAS CHEAP, THIS KEPT PRODUCTION COSTS DOWN. HOWEVER, LABORERS WERE NOW ATTRACTED INTO THE CONSTRUCTION INDUSTRY AND WERE HARD TO RECRUIT INTO MINING. MOREOVER, THEIR WAGE RATES HAD GONE UP SHARPLY IN PAST FEW YEARS. TIN YIELDS HAD ALSO DECLINED OVER PAST 65 YEARS. WHEREAS ONCE ORE YIELDS WERE .5 TO .6 POUNDS PER CUBIC YARD, HIS MINISTRY WAS NOW APPROVING LICENSES FOR ANYTHING IN NEIGHBORHOOD OF .25 POUNDS PER CUBIC YARD. IN ADDITION, FUTURE OF TIN MINING INDUSTRY IN NIGERIA LAY IN MORE CAPITAL INTENSIVE UNDERGROUND MINES LIKE ONE BEING DEVELOPED AT RIRIWAI IN KANO STATE AS JOINT VENTURE BETWEEN NIGERIAN MINING CORPORATION AND GOLD AND BASE METALS. RIRIWAI WILL NOT PRODUCE ANYTHING FOR NEXT TWO YEARS, SAID AWOYNIYI, BUT WHEN IT DOES ONE COULD BE SURE THAT AVERAGE PRODUCTION COST OF NIGERIAN TIN WOULD RISE AND ORE GRADES WOULD BE LOWER. IF TIN PRICE FLOOR WAS TOO LOW, INVESTMENT IN DEVELOPING NEW TIN RESOURCE SUCH AS RIRIWAI WOULD BE DISCOURAGED. SIMILARLY, IF CEILING SET TOO LOW SO THAT PRICES KEPT GOING THROUGH IT, CHAIN OF EVENTS WOULD BE UNLEASHED WHICH WOULD HAVE EQUALLY ADVERSE CONSEQUENCES. AS 40 PERCENT, AND IN FUTURE 60 PERCENT PARTNER IN NIGERIAN TIN  
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MINING COMPANIES, THROUGH VEHICLE OF NIGERIAN MINING CORPORATION, FMG COULD NOT BE EXPECTED TO FAVOR PRICE RANGE WHICH WOULD RENDER QUESTIONABLE THE INVESTMENT IT NOW UNDERTAKING IN NEW PRODUCTION.

5. U.S. DELEGATION IN LONDON MAY WISH TO FIND OUT IF DEPUTY BUFFER STOCK MANAGER HAS FINISHED HIS REPORT ON NIGERIA AND WOULD BE WILLING TO PROVIDE A COPY.  
EASUM

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TIN  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 jan 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978LAGOS00696  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Event:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** U.S. POSITION IN THE INTERNATIONAL TIN COUNCIL  
**TAGS:** EMIN, NI, ITC  
**To:** STATE  
**Type:** TE  
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